
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 11.2.2010

Wall Street Journal: "Lawmaker Questions Power to Foreclose ... A Virginia lawmaker asked the state's attorney general to launch an investigation of Mortgage Electronic Registration Systems, the middleman firm in millions of court filings that helps keep the mortgage-securitization machine moving."

Wall Street Journal: "GM's Sticker: \$50 Billion ... The U.S. will cut its ownership stake in General Motors Co. below the symbolically important 50% to about 35% when the car maker relists its stock later this month, according to new figures the company plans to disclose Tuesday, but it will be tough for the government to break even on its investment."

Wall Street Journal: "SEC Probes J.P. Morgan Credit Deal ... The Securities and Exchange Commission is investigating a \$1.1 billion deal sold by J.P. Morgan Chase & Co., as part of a wider probe by the regulator into complex mortgage securities at the heart of the financial crisis, people familiar with the matter said Monday."

Wall Street Journal: "Opinions Are Split on Fed Policy Move ... The Federal Reserve's move to print money to begin a new round of bond-buying, expected to be announced Wednesday, is aimed at lowering long-term interest rates to give the economy a lift. But inside and outside the Fed, there is an unusual divergence of opinions on how much good it will do-if any."

Wall Street Journal: "Volcker Says Rule Must Be Both Clear and Flexible ... Former Federal Reserve Chairman Paul Volcker said a rule aimed at preventing banks from making risky bets with the firm's own capital must be written so that "bankers and their lawyers and lobbyists" don't exploit "ambiguities" and try to evade the law."

Wall Street Journal: "AIG Rescue Will Prove Profitable, Treasury Says ... The Treasury Department said Monday that it expects to earn a profit on its loans to and investments in American International Group Inc., the insurer it helped bail out at the height of the financial crisis."

Wall Street Journal: "SEC to Settle With Madoff Figures ... The Securities and Exchange Commission has agreed to settle civil charges against associates of convicted Ponzi-scheme operator Bernard Madoff."

Washington Post: "Fed Will Probably Start \$500 Billion of Bond Buying ... The Federal Reserve will probably introduce an unprecedented second round of unconventional monetary easing tomorrow by announcing a plan to buy at least \$500 billion of long-term securities, according to economists surveyed by Bloomberg News."

Washington Post: "JPMorgan Said to Be Investigated Over Subprime CDO Disclosures ... JPMorgan Chase & Co. is the subject of an investigation to determine if it failed to tell investors in a financial product linked to subprime mortgages that hedge fund Magnetar Capital helped select the underlying assets before betting against them, a person familiar with the matter said."

NY Times: "Fed Is Poised to Aid Economy, but Impact Is Cloudy ... The Federal Reserve is all but certain to move to spur the nation's sputtering recovery this Wednesday, but most economists say it is unlikely to have a big impact on employment and growth."

NY Times: "Currency Policy of China Big Topic for G-20 Session ... Currency tensions will top the agenda when leaders of the Group of 20 economic powers gather in South Korea next week, days after midterm elections in the United States

and a crucial decision by the Federal Reserve on new steps to prod along the slow recovery."

LA Times: "AIG poised to repay \$36.7 billion in bailout money ... The U.S. government said Monday that it expects to make a profit on its massive bailout of American International Group Inc., assuming the insurer's restructuring plans are completed."

LA Times: "Millions of homeowners keep paying on underwater mortgages ... For almost two years, home foreclosures have swept the nation, spreading misery among once-buoyant families, spattering lenders with red ink and undermining efforts to restart the economy."

USA Today: "Banks ease up on foreclosures amid increased scrutiny ... In the Florida courtroom of Chief Judge Victor Tobin, there's been a marked change the past month in the pace of foreclosures that mortgage companies ask him to approve."